

ADS 593 - Reviews Conducted by the General Accounting Office (GAO)

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ADS 593 - Reviews Conducted by the General Accounting Office (GAO)

***593.1 Authority**

1. [31 U.S.C. 716](#) and [720](#)
2. [Inspector General Act of 1978](#), as amended October 18, 1988, [Public Law 100-504](#).
3. [Office of Management and Budget \(OMB\) Circular A-50](#), revised September 29, 1982.

***593.2 Objective**

To provide policy and procedures regarding:

- a. [audit follow-up](#) for General Accounting Office (GAO) reviews;
- b. cooperation with GAO and the facilitation of GAO reviews/studies of Agency activities.

593.3 Responsibility

1. The General Accounting Office (GAO)

Is a legislative branch agency responsible for auditing and evaluating programs, activities and financial operations of the executive branch.

2. Assistant Administrator for Management (AA/M)

Is responsible for serving as the Agency's Audit Follow-up Official for all types of audits, including those conducted by GAO.

3. Bureau for Legislative and Public Affairs (LPA)

Is responsible for:

- a. clearing all Agency formal comments on draft and final GAO reports; and
- b. signing and delivering congressional transmittals of Agency responses to final reports containing recommendations.

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4. Office of Inspector General (OIG)

Is responsible for:

- a. maintaining liaison with GAO and initially receiving, on behalf of the Agency, written communications and reports from GAO to ensure timely coordination and cooperation between the GAO and the OIG, and to avoid duplication of audit effort;
- b. providing technical assistance, upon request, for Agency responses to draft and/or final GAO reports;
- c. attending all entrance and [exit conferences](#) for GAO audits and reviews; and
- d. reviewing the Agency's management of GAO recommendations in the [Consolidated Audit Tracking System \(CATS\)](#).

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5. Bureau for Management, Office of Management Planning and Innovation (M/MPI)

Is responsible for:

- a. interacting with GAO staff as necessary to ensure adequate and timely response to GAO reports and inquiries;
- b. serving as the Agency's focal point for the analysis and tracking of GAO reports and inquiries, as well as outgoing correspondence related to GAO activities;
- c. assigning action for GAO reviews and ensuring that appropriate Agency staff are informed of GAO activities;
- d. monitoring the status of corrective action on GAO recommendations and informing action officials of GAO's acceptance of final action on the recommendations;
- e. scheduling and coordinating entrance and exit conferences for GAO reviews;
- f. maintaining all aspects of the CATS database on GAO activities;
- g. coordinating with the Department of State GAO liaison officer regarding joint reviews and other items of common interest; and

h. providing staff support to the Agency's audit follow-up official on matters related to GAO activities.

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6. **Audit Management Officer (AMO)**

A representative designated within each bureau or independent office. The AMO is responsible for:

- a. serving as M/MPI's contact for GAO work processing;
- b. assisting M/MPI with the scheduling and coordination of entrance/exit conferences;
- c. ensuring that GAO inquiries are assigned to appropriate personnel for action;
- d. ensuring that action officers coordinate with M/MPI and other cognizant personnel;
- e. directing the tracking action/status of recommendations, and providing periodic reports regarding status to M/MPI; and
- f. coordinating all GAO issues with M/MPI.

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7. **Management Action Official (MAO)**

An official designated within the cognizant bureau/independent office. The MAO is responsible for:

- a. assisting M/MPI with coordination, where necessary, and attending entrance and exit conferences;
- b. drafting replies to GAO inquiries and correspondence;
- c. keeping M/MPI informed of the status of ongoing reviews; and
- d. coordinating with the AMO to track the action/status of recommendations.

***593.4**

Definitions (See ADS GLOSSARY)

AGENCY AUDIT FOLLOW-UP OFFICIAL
AUDIT FOLLOW-UP
AUDIT MANAGEMENT OFFICER (AMO)

CONSOLIDATED AUDIT TRACKING SYSTEM (CATS)
ENTRANCE CONFERENCE
EXIT CONFERENCE
GAO PRODUCTS
JOB CODE
MANAGEMENT ACTION OFFICIAL (MAO)
NOTIFICATION LETTER

593.5 POLICY

The following are the official Agency policies and corresponding essential procedures.

593.5.1 NOTIFICATION LETTERS

The General Accounting Office (GAO) initiates all reviews/inquiries regarding Agency activities with a formal [notification letter](#).

***E593.5.1 Notification Letters**

The Office of Inspector General (OIG) initially receives notification letters from GAO and determines whether there is a duplication of ongoing or planned audit effort before forwarding the notification letter to the Bureau for Management, Office of Management Planning and Innovation (M/MPI). Upon receipt, M/MPI shall log notification letters within the GAO tracking system, assign an M/MPI tracking number, forward the letter with a tasking document to the appropriate action bureau or office, and send information copies to other interested offices. The action office or bureau's Audit Management Officer (AMO) shall identify and provide written notification of the cognizant Management Action Official (MAO) to M/MPI and GAO within 5 days.

593.5.2 JOB INITIATION AND ENTRANCE CONFERENCES

GAO reviews are initiated by scheduling an [entrance conference](#).

***E593.5.2 Job Initiation and Entrance Conferences**

M/MPI, in consultation with the assigned MAO, schedules entrance conferences with GAO. M/MPI shall notify interested agencies, offices, bureaus, OIG, etc., regarding the date, time and location of the conference; chair the conference; and maintain official GAO files.

593.5.3 SECURITY CLEARANCES AND OVERSEAS VISITS

For reviews involving access to classified information and/or visits to overseas missions, GAO will submit certification of security clearances in writing to M/MPI.

E593.5.3 Security Clearances and Overseas Visits

M/MPI shall provide this information to the appropriate AMO for distribution to individuals taking part in the review. Country clearance cables are required for GAO visits overseas.

593.5.4 ACCESS/COOPERATION

GAO evaluators, upon providing verification of identity and security clearance, shall have access to Agency files and records, whether classified or unclassified. USAID employees must provide full cooperation and support in order to facilitate timely accomplishment of GAO reviews.

E593.5.4 Access/Cooperation - N/A

***593.5.5 EXIT CONFERENCES**

Exit conferences are requested at the discretion of the Agency or GAO. M/MPI and the OIG shall be notified regarding requests for exit conferences.

***E593.5.5 Exit Conferences**

M/MPI shall schedule, coordinate and chair exit conferences.

593.5.6 DRAFT REPORTS

GAO issues draft reports to USAID for review and comment, so that final reports incorporate USAID's views. USAID will provide comments on draft GAO reports within 30 days of issuance, or within the timeframe imposed by GAO.

***E593.5.6 Draft Reports**

Upon receipt of a draft report from GAO, the OIG reviews the report and forwards to M/MPI. M/MPI reviews and disseminates the report to the appropriate AMO and MAO for preparation of the Agency's response. The MAO must coordinate all input and clearances, including a clearance from

the Bureau for Legislative and Public Affairs (LPA). The response must be prepared in accordance with instructions and format provided by M/MPI. The response package must be forwarded to M/MPI for review in accordance with the suspense date issued by M/MPI. M/MPI will obtain the Audit Follow-Up Official's signature and forward the Agency's letter to GAO. If the Agency cannot respond to a report by the date imposed by GAO, an extension may be requested by M/MPI. In some cases, GAO requests informal comments or a check for accuracy and completeness, before preparing or presenting the final product. Under such circumstances, M/MPI shall instruct AMOs on special requirements for comments.

593.5.7 FINAL REPORTS

GAO issues final reports to the Congress and/or to agency heads. Agency comments regarding final GAO reports with recommendations will be submitted to GAO within 60 days of the date of the report. USAID shall respond to final GAO reports as indicated in section E593.5.7.

***E593.5.7 Final Reports**

Final reports are initially received by the OIG for review and then forwarded to M/MPI for processing in accordance with the following procedures:

a) Reports With No Recommendations

M/MPI transmits to all interested bureaus for information, final reports that contain no recommendations for the Agency, and other [GAO products](#). There is no further follow-up required by the Agency for these items.

b) Reports With Recommendations

M/MPI reviews and disseminates these reports to the appropriate MAO for preparation of the Agency's formal response. The response shall include Agency views, and identify action taken, or planned, in response to each finding/recommendation. When corrective action is incomplete, still under study, or planned, USAID shall include a statement of when it expects action to be completed and shall report on corrective action after completion. The MAO shall coordinate all input and clearances, including a clearance from LPA. The response shall be prepared in accordance with instructions provided by M/MPI. The response package shall be forwarded to M/MPI for review in accordance with the suspense date

issued by M/MPI. M/MPI resolves any issues, obtains the Audit Follow-Up Official's signature, and forwards the Agency's letter to GAO and other addressees. A copy of the response shall be submitted to the OIG by M/MPI.

***593.5.7a STATEMENTS TO OMB**

USAID will submit a statement to the Director, Office of Management and Budget (OMB), within 60 calendar days after formal transmittal of a GAO report to the Agency when:

- 1) the report contains a specific recommendation for the Administrator;
- 2) the report contains financial statements accompanied by either a qualified audit opinion or a disclaimer of opinion;
- 3) the report indicates a violation of the Antideficiency Act or other laws which have not been reported to the appropriate authorities; or
- 4) when requested by OMB.

***E593.5.7a Statements to OMB**

The Agency response prepared in accordance with paragraph E593.5.7 above shall serve as the OMB statement.

***593.5.7b STATEMENTS TO CONGRESS**

When a GAO report contains recommendations to the Administrator, the Agency will submit a written statement addressing the recommendations within 60 days of the date of the report to the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight, and the Committees on Appropriations of the Senate and the House of Representatives.

***E593.5.7b Statements to Congress**

The Agency response prepared in accordance with paragraph E593.5.7 above shall also serve as the statement to congressional committees. Transmittal letters must be prepared by the MAO in accordance with instructions provided by M/MPI.

593.5.7c CLEARANCE AND/OR COORDINATION REQUIREMENTS

Agency statements to congressional committees, individual members of Congress, or GAO shall be subject to advance coordination and/or clearance by OMB when a statement:

- 1) expresses views on proposed or pending legislation; or
- 2) deals with other agencies, or with executive branch budget policies.

E593.5.7c Clearance and/or Coordination Requirements

Requests for advance clearance and/or coordination must be addressed via letter to the Director, OMB, and must be forwarded in duplicate. Clearance action must be completed prior to transmittal of the statement.

***593.5.8 FOLLOW-UP OF AUDIT RECOMMENDATIONS**

Follow-up shall be an on-going process. All GAO recommendations must be entered and tracked via the Agency's Consolidated Audit Tracking System (CATS). MAOs shall keep the cognizant AMO and M/MPI advised regarding the status of recommendations.

***E593.5.8 Follow-Up of Audit Recommendations**

M/MPI shall enter and track GAO recommendations in CATS. As actions are taken within the Agency to satisfy GAO recommendations, cognizant AMOs and MAOs shall document such actions and provide notification to M/MPI. When the cognizant MAO believes that final action has been taken to address a recommendation, a letter to GAO shall be drafted for the signature of the [Agency Audit Follow-up Official](#). All such letters to GAO shall be cleared through M/MPI prior to submission to the Assistant Administrator for Management. The OIG will periodically review the Agency's handling of and the status of GAO recommendations in the CATS.

M/MPI will notify the cognizant MAO when an audit recommendation has been eliminated from GAO's report on the status of recommendations which constitutes GAO's acceptance of the final action. **(See also Supplementary Reference [GAO FOLLOW-UP ACTIONS](#))**

593.6 Supplementary References

[GAO FOLLOW-UP ACTIONS](#)

GAO'S AUTHORITY TO CONDUCT REVIEWS

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